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FM THE SITUATION ROOM//TOHAK 70//

TO ADAMS/BARBIAN/ROOMAN FOR THE SECRETARY

UNCLAS VIA 86970 WH51566

TOHAK 70

AUGUST 27, 1975

MEMORANDUM FOR SECRETARY KISSINGER
FROM: THE SITUATION ROOM
SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

(A LATE PRESS ITEM FROM LONDON REPORTS THE DEATH AT 83 OF FORMER EMPEROR HAILE SELASSIE. DEATH WAS ATTRIBUTED BY RADIO ADDIS ABABA TO NATURAL CAUSES.)

MARILYN BERGER NOTES THAT ONLY A FEW CLAUSES STAND IN THE WAY OF A NEW AGREEMENT BETWEEN ISRAEL AND EGYPT, WITH OFFICIALS ON BOTH SIDES EXPRESSING OPTIMISM THAT THE NEGOTIATIONS CAN BE WRAPPED UP IN A FEW MORE MEETINGS. (A-1)

JAMES MACMANUS REPORTS THAT PRIME MINISTER IAN SMITH TOLD AN APPLAUDING PARLIAMENT THAT HIS TALKS WITH BLACK NATIONALIST LEADERS OVER THE FUTURE OF WHITE-RULED RHODESIA HAD FAILED, AND THAT HE WILL SEEK TO MAKE A POLITICAL DEAL WITH MODERATE TRIBAL CHIEFS. EACH SIDE ACCUSED THE OTHER OF WRECKING THE TALKS, BUT SOUTH AFRICAN PRIME MINISTER VORSTER INSISTED THAT THE TALKS HAD NOT REACHED DEADLOCK. (A-1)

ACCORDING TO CARROLL KILPATRICK, PRESIDENT FORD YESTERDAY FAILED TO BREAK THE DEADLOCK BETWEEN HIS ADMINISTRATION AND ORGANIZED LABOR OVER THE LOADING OF WHEAT BOUND FOR THE SOVIET UNION. AFTER A 90-MINUTE MEETING WITH THE PRESIDENT AND OTHER ADMINISTRATION OFFICIALS, AFL-CIO PRESIDENT GEORGE MEANY SAID "NO DECISIONS WERE MADE. THE BOYCOTT IS STILL IN EFFECT." (A-1)

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MCFRLANE,ROOMAN,SDO,SECFLE

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BERNARD KAPLAN REPORTS THAT A GROWING CRISI) OVER SEPARATIST AGITATION IN CORSICA LED TO THE ARREST YESTERDAY OF 10 MEMBERS OF AN EXTREMIST MOVEMENT ON CHARGES OF ENDANGERING THE SECURITY OF THE FRENCH STATE. (A-8)

MIGUEL ACOCA SAYS THAT PRIME MINISTER GONCALVES WON AT LEAST A TACTICAL BATTLE IN HIS STRUGGLE TO REMAIN IN OFFICE AS DISSIDENT OFFICERS DEMANDING HIS OUSTER AGREED TO HAVE THE BATTLE FOUGHT OUT NEXT WEEK IN THE ARMED FORCES MOVEMENT'S 240-MAN GENERAL ASSEMBLY. THE DECISION APPEARED TO HAVE TEMPORARILY DEFUSED THE CONFUSING POLITICAL AND MILITARY CRISIS. (A-12)

IN THE "LETTERS TO THE EDITOR," SYRIAN AMBASSADOR KABBANI DISPUTES SENATOR JAVITS' RECENT POST ARTICLE. KABBANI WRITES THAT TODAY, INTELLECTUALS AND JOURNALISTS, BOTH INSIDE AND OUTSIDE ISRAEL, ARE CALLING FOR AN ISRAELI INITIATIVE LEADING TO A JUST AND GENUINE PEACE, WHILE SENATOR JAVITS STILL MAINTAINS THE OLD ZIONIST RHETORIC CENTERED ON A FORCED STATUS QUO IN THE AREA. THE RESULTS OF THIS CAN ONLY BE THE PERPETRATION OF AN ENDLESS CYCLE OF BLOODSHED IN THE MIDDLE EAST. (A-15)

THE SOUTH VIETNAMESE GOVERNMENT YESTERDAY TOLD THREE MORE FOREIGN REPORTERS, INCLUDING THE LAST FULL-TIME AMERICAN CORRESPONDENT, TO LEAVE SAIGON. PRINCE SIHANOUK MET WITH CHINESE PREMIER CHOU EN-LAI IN A PEKING HOSPITAL YESTERDAY, THE NEW CHINA NEWS AGENCY REPORTED. (A-17)

JONATHAN RANDAL WRITES FROM ALEXANDRIA THAT THE EXPECTED NEW SINAI DISENGAGEMENT IS VIEWED AS A CONSECRATION OF RENASCENT AMERICAN POWER. DESPITE WATERGATE, DESPITE INDOCHINA, ANY NEW SINAI ACCORD IS SEEN IN EGYPTIAN TERMS AS VINDICATION OF PRESIDENT SADAT'S BET ON AMERICAN ABILITY TO DELIVER. (A-18)

JOHN SAAR WRITES THAT DEFENSE SECRETARY SCHLESINGER HAS TOLD SOUTH KOREAN OFFICIALS THAT THE FORD ADMINISTRATION WILL DO ITS BEST TO HELP THEM UPGRADE THE COUNTRY'S MILITARY STRENGTH SIGNIFICANTLY. (A-22)

MURREY MARDER REPORTS THAT THE U.S. IS ENGAGED IN "PRELIMINARY PLANNING" ON PORTUGAL'S REQUEST TO HELP EVACUATE THOUSANDS OF WHITE SETTLERS FROM WAR-TORN ANGOLA. (A-23)

THE BALTIMORE SUN

THE PORTUGUESE COLONIAL GOVERNMENT IN TIMOR HAS FLED THE CAPITAL OF DILI TO A SMALL ISLAND OFF THE COAST, ATAURO, FOLLOWING DAYS OF FIGHTING AMONG RIVAL NATIONALISTS, AN AUSTRALIAN FOREIGN AFFAIRS SPOKESMAN SAID TODAY. THE ISLAND OF ATAURO IS ABOUT 30 MILES NORTHEAST OF THE MAIN

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BODY OF PORTUGUESE TIMOR, 360 MILES NORTHWEST OF AUSTRALIA. (A-2)

YOUR PICTURE APPEARS ON PAGE FIVE AS YOU AND YIGAL ALLON LEAVE RABIN'S OFFICE YESTERDAY.

A MEETING OF THE FINANCE MINISTERS OF OPEC THAT HAD BEEN SET FOR CARACAS WILL BE HELD NEXT WEEK IN WASHINGTON INSTEAD, THE VENEZUELAN FINANCE MINISTRY SAID YESTERDAY. THERE WAS NO IMMEDIATE EXPLANATION WHY THE MEETING HAD BEEN SHIFTED TO WASHINGTON. (A-5)

GILBERT LEWTHWAITE CONTENDS THAT THE CHANCES OF PROGRESS IN REFORM OF THE INTERNATIONAL MONETARY SYSTEM IN A SERIES OF MEETINGS STARTING NEXT WEEK IN WASHINGTON HAVE BEEN IMPROVED BY AN IMPORTANT FRENCH CONCESSION. THE FRENCH HAVE DECIDED TO ACCEPT SEPARATE AGREEMENTS ON THE THREE KEY ISSUES -- GOLD DEALINGS, IMF QUOTAS, AND EXCHANGE RATES -- RATHER THAN INSISTING, AS PREVIOUSLY, ON A PACKAGE DEAL. (A-6)

THE LEAD EDITORIAL REPORTS THAT PRIME MINISTER SMITH WAS THINKING WISHFULLY WHEN HE ASSURED AN APPLAUDING RHODESIAN PARLIAMENT THAT HIS TALKS MONDAY WITH THE AFRICAN NATIONAL COUNCIL HAD FAILED. MR. SMITH WOULD NEVER SINCERELY ASSIST IN TAKING RHODESIA AWAY FROM THE FOUR OR FIVE PERCENT OF THE POPULATION HE REPRESENTS. HIS NEGOTTATING STYLE FOR A DECADE HAS BEEN TO FRUSTRATE AND OBFUSCATE. HE WANTS TO POSTPONE BLACK MAJORITY RULE FOREVER, BY TRYING TO DISUNIFY THE RIVAL BLACK NATIONALISTS, WHICH IS NOT HARD. BUT LANDLOCKED RHODESIA CANNOT LIVE WITHOUT MOZAMBIQUE AND SOUTH AFRICA. IT HAS LOST ONE AND BEEN GIVEN A VERY SHORT LEASH BY THE OTHER. (A-14)

THE NEW YORK TIMES

BERNARD GWERTZMAN REPORTS THE U.S. SEEMS DESTINED TO EMERGE FROM THE PRESENT NEGOTIATIONS FOR A NEW EGYPTIAN-ISRAELI ACCORD AS THE MAJOR OUTSIDE POWER IN THE MIDDLE EAST, IN THE VIEW OF ARAB, ISRAELI, AND AMERICAN OFFICIALS. ACCORDING TO THE OFFICIALS, THE U.S. IS DUE TO BE DEEPLY INVOLVED NOT ONLY IN FUTURE MIDDLE EAST PEACE-MAKING EFFORTS BUT ALSO IN THE POLITICAL, ECONOMIC, AND MILITARY AFFAIRS OF ISRAEL, EGYPT, AND OTHER COUNTRIES IN THE AREA. (1)

ANN CRITTENDEN SAYS THAT THE COMMERCE DEPARTMENT REPORTED YESTERDAY THAT ALTHOUGH INCREASED OIL IMPORTS ERODED THE NATION'S FOREIGN TRADE SURPLUS IN JULY, THE ACCOUNT REMAINED IN SURPLUS BY NEARLY $1 BILLION FOR THE MONTH. (1)

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LESLIE GELB SAYS WHEN YOU ADDRESS THE UN GENERAL ASSEMBLY NEXT WEEK, YOUR AIDES EXPECT YOU TO TAKE A MORE CONCILIATORY STAND TOWARD DEMANDS FROM DEVELOPING NATIONS FOR A GREATER SHARE OF THE WORLD'S WEALTH. (1)

CHRISTOPHER WREN STATES THAT THE SOVIET UNION HAS URGED A POLICY OF "SMASHING MAOISM" AND HAS WARNED THAT ANY COMMUNISTS REMAINING NEUTRAL WILL BE SERVING THE "ANTI-MARXIST" INTERESTS OF PEKING. (7)

HENRY KAMM SAYS THAT ISRAELI SOURCES EXPRESSED NO MORE THAN HOPE YESTERDAY THAT EGYPT WOULD MAKE ALL THE POLITICAL COMMITMENTS THAT ISRAEL WANTS IN RETURN FOR THE MILITARY AND TERRITORIAL CONCESSIONS TO WHICH THIS COUNTRY HAS AGREED. (11)

JONATHAN KANDELL SAYS THAT AS DISSENSION MOUNTED IN THE ARMED FORCES, THE PERONIST LABOR LEADERSHIP CALLED ON TRADE UNIONISTS TO BE PREPARED TO DEFEND PRESIDENT PERON'S GOVERNMENT AGAINST A POSSIBLE MILITARY UPRISING. (16)

A TIMES EDITORIAL ON THE FAILURE OF THE TALKS ON RHODESIA STATES THAT NOT ALL BLAME RESTS WITH IAN SMITH. STRENUOUS EFFORTS BY PRESIDENT KAUNDA OF ZAMBIA AND OTHER BLACK LEADERS HAVE FAILED TO BLUNT RIVALRIES INSIDE THE AFRICAN NATIONAL COUNCIL, WHICH NEGOTIATES FOR RHODESIA'S BLACK MAJORITY. THIS IS A MAJOR DISAPPOINTMENT FOR PRESIDENT KAUNDA AND PRIME MINISTER VORSTER OF SOUTH AFRICA, WHO, FORTUNATELY, WILL STUBBORNLY PERSIST IN EFFORTS TO BRING ABOUT REALISTIC NEGOTIATIONS BECAUSE THEY KNOW -- EVEN IF MR. SMITH'S FOLLOWERS AND THE BLACK EXTREMISTS DO NOT -- THAT THERE IS NO ACCEPTABLE ALTERNATIVE. (32)

JAMES RESTON COMMENTS THAT PRESIDENT ECHEVERRIA OF MEXICO REGARDS HIMSELF AS A GOOD FRIEND OF THE U.S., BUT THIS DOES NOT KEEP HIM FROM GIVING WASHINGTON SOME HARD "LISTEN YANKEE" TALK. HE SEES DEVELOPING IN THE WORLD A GROWING CLASS WAR BETWEEN THE RICH AND THE POOR NATIONS, AND HE IS URGING, ALMOST PLEADING, THAT THE U.S. ACT GENEROUSLY WITH THE OTHER INDUSTRIAL NATIONS TO AVOID IT. PRESIDENT ECHEVERRIA IS NOW IN THE FOREFRONT OF THE MOVEMENT TO ORGANIZE THE DEVELOPING NATIONS FOR THE PURPOSE OF GETTING HIGHER PRICES FOR THEIR RAW MATERIALS FROM THE INDUSTRIAL NATIONS. (33)

ACCORDING TO MORTON SOSLAND, THE SOVIET UNION'S SURPRISE INTRUSION UPON THE WORLD GRAIN SCENE AS A MAJOR BUYER FOR THE SECOND TIME IN THREE YEARS HAS RESULTED IN A SIGNIFICANT REVISION IN THE AMERICAN FREE MARKET SYSTEM THAT IS NOT AT ALL UNDERSTOOD OR APPRECIATED FOR ITS CONSIDERABLE IMPORTANCE.

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THE CHANGE ITSELF HAS TAKEN A QUITE SIMPLE FORM -- A DIRECTIVE BY THE GOVERNMENT TO THE MAJOR EXPORTING COMPANIES THAT SALES TO ONE SPECIFIC DESTINATION, THE SOVIET UNION, MUST BE LIMITED. MAKE NO MISTAKE ABOUT IT, THE LIMITATION ON SOVIET BUYING IS BEING ORCHESTRATED FROM THE WHITE HOUSE. (33)

C.L. SULZBERGER WRITES THAT RUSSIA, CHINA, AND THE U.S. ARE ALL INVOLVED IN THE POLITICS OF FOOD. THE SOVIET GRAIN CROP HAS FALLEN FAR SHORT OF REQUIREMENTS WITH THE RESULT THAT MOSCOW IS BUYING HEAVILY OVERSEAS. LIKE-WISE, THERE HAS BEEN A SLOWDOWN IN THE CHINESE RATE OF AGRICULTURAL GROWTH. WHILE MOSCOW EXPENDS HARD CURRENCY ON FOOD IMPORTS AND PEKING CUTS DEFENSE OUTLAYS, THE U.S. CAN AT LEAST FACE PROBLEMS POSED BY ECONOMIC HARD TIMES AND FOREIGN OBLIGATIONS WITH SOME SENSE OF SECURITY ON THE FARM FRONT. LOOKED AT FROM THE THREE VANTAGE POINTS OF THE U.S., USSR, AND CHINA, THIS BASIC FACT HAS IMPORTANT IMPLICATIONS IN TERMS OF GLOBAL AFFAIRS. (33)
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